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REFERENCE TITLE: **income tax exemption; military personnel**

State of Arizona  
Senate  
Forty-sixth Legislature  
Second Regular Session  
2004

## **SB 1067**

Introduced by  
Senators Harper, Arzberger, Martin, Verschoor; Representative Straughn:  
Senators Bennett, Blendu, Burns, Jarrett; Representatives Johnson,  
Yarbrough

**AN ACT**

**AMENDING TITLE 43, CHAPTER 10, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1044; RELATING TO INDIVIDUAL INCOME TAX.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 43, chapter 10, article 4, Arizona Revised Statutes,  
3 is amended by adding section 43-1044, to read:

4 43-1044. Exemption; military personnel on active duty;  
5 definitions

6 A. MEMBERS OF THE REGULAR ARMED FORCES OF THE UNITED STATES WHO ARE ON  
7 ACTIVE DUTY STATUS ON THE LAST DAY OF THE TAXABLE YEAR ARE EXEMPT FROM THE  
8 TAX IMPOSED UNDER THIS CHAPTER WITH RESPECT TO THAT TAXABLE YEAR, REGARDLESS  
9 OF THE SOURCE OR NATURE OF THE INCOME.

10 B. THE DEPARTMENT SHALL ESTABLISH A PROCESS FOR DETERMINING AND  
11 VERIFYING ELIGIBILITY FOR THE EXEMPTION UNDER THIS SECTION.

12 C. FOR THE PURPOSES OF THIS SECTION:

13 1. "MEMBERS" MEANS COMMISSIONED OFFICERS AND PERSONNEL BELOW THE GRADE  
14 OF COMMISSIONED OFFICERS IN THE ARMED FORCES.

15 2. "REGULAR ARMED FORCES OF THE UNITED STATES" MEANS ALL REGULAR  
16 COMPONENTS OF THE UNIFORMED SERVICES THAT ARE SUBJECT TO THE JURISDICTION OF  
17 THE UNITED STATES SECRETARY OF DEFENSE, THE SECRETARY OF THE ARMY, THE  
18 SECRETARY OF THE NAVY OR THE SECRETARY OF THE AIR FORCE, AND INCLUDES THE  
19 COAST GUARD BUT DOES NOT INCLUDE RESERVE OR NATIONAL GUARD COMPONENTS OF THE  
20 UNIFORMED SERVICES.

21 Sec. 2. Effective date

22 Section 43-1044, Arizona Revised Statutes, as added by this act, is  
23 effective and applies to taxable years beginning from and after December 31,  
24 2004.